



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: December 16, 2013

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Agenda Item: Changing Hearts for Changing Lives

Executive Summary. A request for utility extension agreement (EA), voluntary annexation and initial zoning has been received from Changing Hearts for Changing Lives, INC. for a 17.35 acre site for three properties along Cheek Road. The applicant has requested an initial zoning designation of Residential Rural (RR), which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot. The applicants have not submitted a development plan as part of this request.

The proposed development has submitted an extension agreement for approval by City Council. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and the existing water and sewer mains have capacity for the proposed development. No offsite improvements will be required, other than extension of the existing sewer and water mains to the site. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue negative. This is a common scenario for tax-exempt land uses such as Places of Worship.

One motion, with three components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

Alternatives and Recommendation. Council has two alternatives:

Alternative 1) **Recommended Alternative:** Approve the utility extension agreement, voluntary annexation and initial zoning.

Alternative 2) Deny voluntary annexation petition. No action would be required or authorized on the initial zoning.

Issues and Analysis. This request involves three separate items: utility extension agreement, voluntary annexation petition, and initial zoning.

Voluntary Annexation Petition

Staff is requesting the Council conduct a public hearing and consider annexation of the subject property with an effective date of December 31, 2013. The public hearing will be held in compliance with N.C. General Statute 160A-31.

Initial Zoning

State Statutes (General Statute 160A-360) require that a municipality annexing land place its zoning designation on the property within 60 days of the effective date of the annexation. Staff is recommending an initial zoning designation of Residential Rural (RR) on the property, consistent with City policy. The RR zoning district is the least intense residential zoning district permitted in the Suburban Tier based on the size of the lot.

Utility Impacts. Water service shall be provided by connecting a 6-inch waterline to the existing 12-inch waterline in Medallion Drive. Sewer service shall be provided by extending the existing 8-inch sanitary sewer in Medallion Drive. There is capacity in the system to serve this project. Water Management and Public Works are not requesting major infrastructure improvements at this time.

Financial Impact. The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2014-15 is \$7,863. The estimated annual General Fund expenditures associated with providing City services at build out is \$7,884. The estimated annual General Fund net loss to the City at build out is \$21. The cumulative estimated General Fund net loss to the City at build out is \$1,834. This is primarily due to Police Department related expenses. As noted in Attachment G, the impact on the sewer and water fund is revenue positive.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

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Changing Hearts for Changing Lives

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated.	No additional expenses are anticipated.
Fire	Three inspections during construction at \$170 each. \$170 inspection fee plus \$150 permit fee collected annually.	No additional expenses are anticipated.
General Services	No revenues anticipated.	No additional expenses are anticipated.
Inspections	No revenues anticipated.	No material impacts
Parks & Recreation	No revenues anticipated.	No additional expenses are projected with this annexation.
Planning	One time revenues for site plan review, final plat and minor special use permit: \$5,398	No additional expenses are anticipated.
Police	No revenues anticipated.	First year estimated one time-cost of \$4,245, and ongoing annual cost of \$7,729.
Public Works	No Impacts - all revenues would be stormwater related	No impacts - all expenditures would be stormwater related.
Solid Waste	No Impacts	No Impacts
Transportation	No Impacts	No Impacts
Water Management	No revenues anticipated.	No Impacts

SDBE Summary. This item has no known SDBE impact.

Attachments

Attachment 1: Context Map
Attachment 2: Aerial Map

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Attachment 3:	Cost/Benefit Analysis
Attachment 4:	Clerk Certification
Attachment 5:	Legal Description
Attachment 6:	Estimated Utility Life Cycle Costs
Attachment 7:	Utility Extension Agreement
Attachment 8:	Annexation Ordinance
Attachment 9:	Initial Zoning Ordinance
Attachment 10:	Utility Extension Agreement Vicinity Map